



**MEMORANDUM**

Agenda Item No. 11(A)(7)

**TO:** Honorable Chairman Joe A. Martinez  
and Members, Board of County Commissioners

**DATE:** January 24, 2012

**FROM:** R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Resolution directing County Mayor  
to conduct market study regarding  
policy of utilizing size and capital  
when allocating bonds to  
underwriting firms in negotiated  
bond transactions and to report  
findings to the Board

The accompanying resolution was prepared and placed on the agenda at the request of Prime  
Sponsor Commissioner Barbara J. Jordan.

R. A. Cuevas, Jr.  
County Attorney

RAC/cp



# MEMORANDUM

(Revised)

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and Members, Board of County Commissioners

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R. A. Cuevas, Jr.  
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Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous\_\_\_\_) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 11(A) (7)

1-24-12

RESOLUTION NO. \_\_\_\_\_

RESOLUTION DIRECTING COUNTY MAYOR OR  
COUNTY MAYOR'S DESIGNEE TO CONDUCT  
MARKET STUDY REGARDING POLICY OF  
UTILIZING SIZE AND CAPITAL WHEN  
ALLOCATING BONDS TO UNDERWRITING FIRMS  
IN NEGOTIATED BOND TRANSACTIONS AND TO  
REPORT FINDINGS TO THE BOARD

**WHEREAS**, Section 2-10.6 of the County Code ("Section 2-10.6") provides, among other provisions, for (i) a competitively selected pool of underwriting firms for negotiated bond transactions ("Underwriting Firms"); (ii) assignment of each Underwriting Firm to one of two divisions based on the Underwriting Firm's size, which is determined by the Underwriting Firm's net capital before haircut on securities positions as shown in item 3640 of its focus report filed with the Security and Exchange Commission periodically ("Capital"); and (ii) the method for allocating bonds for sale among those Underwriting Firms based on, among other things, fifteen (15) times Capital; and

**WHEREAS**, Section 2-10.6 establishes two divisions of Underwriting Firms in order to promote the development of small Underwriting Firms based on their Capital; and

**WHEREAS**, division 1 consists of Underwriting Firms with Capital between \$250,000 and \$5,000,000 and those Underwriting Firms with Capital greater than \$5,000,000 but less than \$10,000,000 that elected to be included in division 1 at the time of proposal submission or elected to remain in division 1 when its Capital exceeded \$5,000,000 but remained less than \$10,000,000 (collectively, "Small Firms"); and

**WHEREAS**, division 2 consists of Underwriting Firms with Capital in excess of \$10,000,000 and Underwriting Firms with Capital between \$5,000,000 and \$10,000,000 that elect to be in Division 2 (collectively, "Large Firms"); and

**WHEREAS**, Small Firms are eligible to be senior manager on negotiated bond transactions of \$75,000,000 or less and Large Firms are eligible to be senior manager on any negotiated bond transaction, subject to certain limited exceptions, including, but not limited to, the requirement in Section 2-10.6 that an allocation of bonds to an Underwriting Firm may not exceed fifteen (15) times the Capital of the Underwriting Firm; and

**WHEREAS**, this Board wishes to determine whether the dollar thresholds based on Capital for each of the divisions and the allocation of bonds to Underwriting Firms based on fifteen (15) times Capital (collectively, "County Policies") are utilized by other municipal and government issuers and if there are policies of such issuers that may be more effective; and

**WHEREAS**, this Board wishes to direct the County Mayor or County Mayor's designee to conduct a market study that it may use to make such a determination,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that the County Mayor or County Mayor's designee is directed to conduct a market study of other municipal and government issuers to determine (i) whether any, and if so, how many, issuers separate underwriting firms into divisions based on the amount of the underwriting firm's Capital or other formulation; (ii) whether any issuers limit the amount of bonds that may be allocated to an underwriting firm based on Capital, and in particular, fifteen (15) times its Capital, or based on another formulation; and (iii) whether there are any policies utilized by other issuers in the selection of underwriting firms on negotiated transactions that may be more effective than the

County Policies in promoting the development of small underwriting firms; and to submit such written market study to this Board within ninety (90) days from the date of this resolution.

The Prime Sponsor of the foregoing resolution is Commissioner Barbara J. Jordan. It was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Lynda Bell
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 24<sup>th</sup> day of January, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.

GBL

Geri Bonzon-Keenan

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